

96-7a

Bulletin

To: Automobile Insurers Authorized to Transact Property and Casualty Insurance in Kentucky

From: George Nichols III Commissioner of Insurance Date: July 24, 1996

Re: Changes in Non-Owned Automobile Coverage for Kentucky State Employees

Effective July 1, 1996, motor vehicles owned by the State Transportation Cabinet, regardless of the state agency operating the vehicle, are covered by a motor vehicle liability insurance policy. This policy has a single limit of \$300,000 for bodily injury and property damage.

This affects companies doing business in Kentucky who offer the Drive Other Car (or Non-owned Auto) rider to employees of Kentucky state government. These employees are not required to carry this rider while operating state vehicles.

After July 1, employees operating vehicles owned by the Transportation Cabinet may choose to carry the optional coverage, even though they will not be reimbursed by the state. However, any state agencies holding the title to their vehicles is not insured by the Transportation Cabinet's master policy, i.e. State Police. That State Agency's employees will be expected to continue the rider on their personal automobile policy and the cost will be reimbursed by the state.

It has come to our attention that some carriers are canceling this rider on state employees' policies. Prior to any cancellations, your company should confirm that these insureds are not required to carry the rider, although they may elect to carry for excess coverage.

Any rule or rate changes made to your company's automobile line will need to be filed with the Property and Casualty Division.